KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 05-68

SECOND SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 2-29

Date: February 14, 2006
Respondent: Theodore Poe, Jr.

Q. Refer to pages 47-50 of the Company's filing. Please discuss the method(s) that the Company used to estimate the regression equations for the baseline sendout requirements for each of the four geographical areas (i.e., Boston, Essex, Lowell, and Cape Cod).

A. Although the Company continues to explore different functional forms and/or different independent variables for its regression equations, it determined that the form of the equation, as presented in Chart III-C-1, continues to provide the best predictive power for its estimates of its customers' sendout requirements. Daily customer requirements, by division, over the base period May 2003 – April 2004 were regressed against the dependent variables as described on pages 47-50 of the Company's filing. Because the Durban-Watson statistic for each of the original regression equations indicated the presence of autocorrelation among the error terms, the Hildreth-Lu procedure was used to correct for the serial correlation in the time-series data. The resulting regression coefficients were then presented in Chart III-C-2 of the Company's filing.